A Consumer's Guide to Homeowner's Insurance in the State of Hawaii Insurance Division, State of Hawaii Department of Commerce and Consumer Affairs 335 Merchant Street, Room 213 Honolulu, Hawaii 96813 Phone: 808-586-2809

GENERAL INFORMATION

Homeowner's insurance is not required by law in Hawaii. If your home is mortgaged, however, your lender may require insurance on your home for the duration of your loan. Homeowner's insurance provides protection for your dwelling, personal property, and on-site buildings if damaged or destroyed by a covered peril. Perils are events (i.e. fire and explosion) which cause damage to property. In addition to property coverage for your home and outbuildings, each policy usually contains four additional coverages: personal property, additional living expenses, personal liability, and medical payments.

This guide provides a general overview of homeowner's insurance in Hawaii and is not intended to replace carefully reading your policy documents. Keep in mind insurers may have varying definitions of policy language and charge different rates for the same coverage. We encourage you to review your policy with your insurance agent to ensure your current provisions best suit your coverage needs.

TYPES OF HOMEOWNER'S INSURANCE POLICY FORMS

While coverage descriptions may vary, most insurers use one or more of the following policy forms. Comprehensive Form (HO-5), not listed, provides the broadest coverage but is uncommon.

BASIC FORM (HO-1)

Named peril coverage: fire, lightning, windstorm excluding hurricane, hail, explosion, vandalism or malicious mischief, damage by vehicles, aircraft and riots. Since few homeowners select this limited policy, many insurers no longer offer Form HO-1.

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HOME OWNER'S POLICY FORMS

BROAD FORM (HO-2)

In addition to the Basic Form (HO-1) coverages, this form also insures a home and personal property for collapse or damage from falling trees and other objects, and (under certain conditions) from steam and water damage.

As coverage increases so does your premium price.

SPECIAL FORM (HO-3)

Open peril coverage excluding the following: flood, surface water, sewer backups, tidal waves, earthquakes, landslides, war, nuclear radiaton, and hurricane. Personal property only covered for the same perils as the Broad Form (HO-2).

RENTER'S POLICY FORM

CONTENTS BROAD FORM (HO-4)

This policy provides renters personal property protection against the same perils as the Broad Form (HO-2) and includes personal liability protection.

Unlike the other policy forms, the renter's HO-4 form only incorporates coverages C through F.

UNIT-OWNER'S POLICY FORM

CONDO OWNERS FORM (HO-6)

This condominum and townhouse unit owners form offers coverage for personal property and interior finishes. The condo association typically purchases a separate policy that covers the building (including common walls and grounds) and associated liability.

POLICY COVERAGES

Every homeowner's policy, except for HO-4, includes the following six coverages. If your policy's standard coverage is inadequate, endorsement forms may offer specialized coverage to meet your needs.

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- Coverage A: Covers main house damage. The coverage limit is typically set at or near the replacement cost of the home. For Condo Unit-Owners (HO-6), limit usually the declared value by insured.

 Coverage B: Covers damage to other structures on the lot, such as detached garages/carports and storage sheds.
 - Coverage C: Covers damage to or loss of personal property.
 - Coverage D: Covers additional living expenses (incurred by the insured) to continue the "normal" standard of living when the house cannot be occupied due to a covered loss.
- Coverage E: Covers personal liability exposures. Protects against a claim/lawsuit resulting from (non-auto & non-business) bodily injury or property damage to others caused by your negligence.

 Coverage F: Regardless of who is at fault, this coverage pays for reasonable medical expenses for persons (other than you or residing family members) accidentally injured on your property.

TYPES OF VALUATION

Replacement cost is the amount necessary to replace, rebuild, or repair your home/property without deducting for depreciation. Depreciation is the decrease in an asset's value due to age, obsolescence, and/or "wear and tear." Many insurers require policyholders to insure their homes for at least 80% of its replacement value.

Actual cash value (ACV) is the cost to replace, rebuild, or repair your home/property after deducting for depreciation. Most homeowner policies cover personal property on an ACV basis.

PREMIUM DEVELOPMENT CONSIDERATIONS (VARIES BY INSURER)

Your premium may be based on, but not limited to, the following factors: type of construction, loss prevention devices, public protection class, deductible level, amount of insurance, and policy form.

BUYING HOME INSURANCE

The key to insurance comparison shopping is identifying your desired deductible levels, coverage limits and provisions before getting premium quotes. Once your ideal policy parameters are selected (with your agent's assistance, if necessary), the quotes you receive should be on an "apples to apples" comparative basis. After obtaining multiple premium quotes, your personal preference dictates the emphasis placed on the following considerations: premium cost, service and financial stability. Generally, financial ratings from reputable sources (i.e. A.M. Best and Moody's) indicate an insurance company's financial "heath" and ability to pay claims. Note: if your agent only represents one insurance company, you may need to contact an independent agent to obtain competing quotes.



The Insurance Division of the Hawaii State Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners insurance in Hawaii as part of our continuing effort to assist and educate consumers.

OAHU - SAMPLE ANNUAL CONDOMINIUM UNIT-OWNERS PREMIUMS

Based on voluntary participation of licensed insurers, the sample premiums listed below consider the following assumptions:

CONDO UNIT-OWNERS POLICY (HO-6)

Coverage C: \$25,000

D: 40% of Coverage C

Deductible: \$500

Rates effective as of January 1, 2012

BUILDING CHARACTERISTICS

Year Built:

Construction:

Roof: Elevation:

Add'l Factors:

1980 Wood (Single-wall) Hip, asphalt shingle 15' above sea-level Primary residence No claims in 5 yrs.

2005 Wood (Double-wall) Hip, asphalt shingle 15' above sea-level Primary residence No claims in 5 yrs.

1990 Masonry (CMU) Flat, torched membrane 15' above sea-level Primary residence No claims in 5 yrs.

			j			rio diamino in o jioi				
NAIC	Incurance Company	Public Prot	ection Class*	Public Prote	ection Class*	Public Protection Class				
Co. Code	Insurance Company	3	10	3	10	3	10			
10861	Universal Property and Casualty Insurance Co.	57	117	57	117	57	117			
41459	Armed Forces Insurance Exchange	60	121	60	121	54	91			
23035	Liberty Mutual Fire Ins. Co.	92	103	92	103	92	103			
37265	DTRIC Insurance Company, Ltd.	100	114	100	114	100	114			
25180	Fidelity National Insurance Company	n/a	n/a	101	n/a	101	n/a			
29068	IDS Property Casualty Ins. Co.	108	122	108	122	108	122			
15598	Interinsurance Exchange of the Automobile Club	108	122	108	122	108	122			
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	113	226	113	226	101	169			
28487	Farmers Insurance Hawaii, Inc.	134	274	134	274	121	206			
25143	State Farm Fire and Casualty Company	137	151	137	151	137	151			
19615	American Reliable Insurance Company	150	179	150	239	150	239			
25941	United Services Automobile Association	297	430	297	430	284	363			
25968	USAA Casualty Insurance Company	333	501	333	501	316	417			
18600	USAA General Indemnity Company	383	602	383	602	361	492			

OAHU - SAMPLE ANNUAL CONDOMINIUM UNIT-OWNERS HURRICANE PREMIUMS

Based on voluntary participation of licensed insurers, the sample premiums listed below consider the following assumptions:

Н	IURRICANE POLICY	BUILDING CHARACTERISTICS (same as above)													
	Replacement Cost: \$25,000 Deductible: DED (below) tive as of January 1, 2012	Constru Wind R De R = Resisi	vices:		ngle-wall) one	Hurricane	e roof clips on anchors	Masonry (CMU) Hurricane roof clips							
NAIC	Insurance Company	,	DED		ection Class*	-	ection Class*	Public Protection Class*							
Co. Code	<u> </u>		D	3	10	3	10	3	10						
10861	Universal Property and Casualty Insur	ance Co.	2%	22	22	17	17	10	10						
25180	Fidelity National Insurance Company		1%	n/a	n/a	33	n/a	14	n/a						
41459	Armed Forces Insurance Exchange		2%	35	35	35	35	15	15						
25143	State Farm Fire and Casualty Compar	ny	2%	49	49	49	49	43	43						
12502	Dongbu Insurance Co., Ltd. (U.S. Bra	nch)	2%	127	127	55	55	55	55						
29068	IDS Property Casualty Ins. Co.		5%	64	64	64	64	64	64						
15598	Interinsurance Exchange of the Auton	nobile Club	2%	64	64	64	64	64	64						
25941	United Services Automobile Association	on	2%	112	112	87	87	76	76						
19615	American Reliable Insurance Compan	ıy	2%	73	73	73	73	73	73						
25968	USAA Casualty Insurance Company		2%	141	141	110	110	97	97						
18600	USAA General Indemnity Company		2%	184	184	143	143	125	125						

^{*} The Public Protection Classification (PPC) is a rating criterion that measures a community's fire protection capabilities. PPC community grading is based on Fire Department characteristics, available water supply, and communication system. On Oahu, your property's PPC is a 3 unless located more than five road miles from a recognized fire station and 1000 feet from a 4" hydrant (PPC 10). Please contact your agent for more information.

THE SAMPLE PREMIUMS VS. YOUR PREMIUMS

The premium cost of your Condo Unit-Owners insurance policy may be affected by, but not limited to, the following considerations: coverage limits, deductible levels, loss preventative devices (i.e. security system) and previous claims. Each insurance company may have unique rating factors associated with these risk classifications. Thus, your current or quoted premium could vary from the sample indications. Please contact your agent to obtain quotes from listed and unlisted insurers to account for your home's specific characteristics and desired coverage provisions.



As part of our continuing effort to assist and educate consumers, the Insurance Division of the Hawaii State Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners insurance in Hawaii.

SAMPLE PREMIUMS vs. YOUR PREMIUMS

The premium cost of your Homeowners insurance policy may be affected by, but not limited to, the following considerations: coverage limits, deductible levels, loss preventative devices (i.e. security system) and previous claims. Each insurance company may have unique rating factors associated with these risk classifications. Thus, your current or quoted premium could vary from the sample indications. Please contact your agent for quotes from listed and unlisted insurers to account for your home's specific characteristics and desired coverage provisions.

SAMPLE PREMIUMS EFFECTIVE AS OF:

HURRICANE POLICY ASSUMPTIONS

January 1, 2012

PUBLIC PROTECTION CLASSIFICATION

* Public Protection Class (PPC) is a rating criterion that measures a community's fire protection capabilities. PPC community grading is based on Fire Department characteristics, available water supply, and communication system. Please contact your agent to find out which classification applies to your property.

NEIGHBOR ISLAND - SAMPLE ANNUAL CONDOMINIUM UNIT-OWNERS PREMIUMS

CONDO OWNERS POLICY (HO-6) ASSUMPTIONS			BUILDING CHARACTERISTIC ASSUMPTIONS																			
Coverage A: B: C: \$25,000 D: 40% of Coverage C Deductible: \$500			Year Built: 1980 <u>Elevation</u> : 15' above sea-level <u>Construction</u> : Wood (Single-wall) <u>Roof</u> : Hip, asphalt shingle <u>Add'l</u> : Primary residence, no claims in 5 yrs.						uilt: 2005 uction: Wo lip, aspha Primary re	ood (Do u alt shingle	a-level	Year Built: 1990 <u>Elevation</u> : 15' above sea-level Contruction: Masonry (CMU) Roof: Flat, torched membrane Add'!: Primary residence, no claims in 5 yrs.										
NAIC	NAIC Co. Code Insurance Company		Public Protection Class*						Public Protection Class*							Public Protection Class*						
Co. Code			5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10			
10861	Universal Property and Casualty Insurance Co.	58	59	59	70	94	117	58	59	59	70	94	117	58	59	59	70	94	117			
41459	Armed Forces Insurance Exchange	60	60	60	72	97	121	60	60	60	72	97	121	54	54	54	54	78	91			
15598	Interinsurance Exchange of the Automobile Club	78	80	80	81	86	86	78	80	80	81	86	86	78	80	80	81	86	86			
23035	Liberty Mutual Fire Ins. Co.	92	95	95	99	103	103	92	95	95	99	103	103	92	95	95	99	103	103			
37265	DTRIC Insurance Company, Ltd.	100	100	100	100	114	142	100	100	100	100	114	142	100	100	100	100	114	142			
25180	Fidelity National Insurance Company	n/a	n/a	n/a	n/a	n/a	n/a	101	101	101	101	n/a	n/a	101	101	101	101	n/a	n/a			
29068	IDS Property Casualty Ins. Co.	108	112	112	118	122	122	108	112	112	118	122	122	108	112	112	118	122	122			
12502	Dongbu Insurance Co., Ltd. (U.S. Branch)	113	113	113	136	181	226	113	113	113	136	181	226	101	101	101	101	147	169			
28487	Farmers Insurance Hawaii, Inc.	135	137	139	164	219	274	135	137	139	164	219	274	122	124	125	127	178	206			
25143	State Farm Fire and Casualty Company	137	141	141	144	151	151	137	141	141	144	151	151	137	141	141	144	151	151			
19615	American Reliable Insurance Company	150	150	150	150	172	179	150	150	150	150	192	239	150	150	150	150	192	239			
25941	United Services Automobile Association	297	297	297	324	377	430	297	297	297	324	377	430	284	284	284	284	337	363			
25968	USAA Casualty Insurance Company	333	333	333	366	434	501	333	333	333	366	434	501	316	316	316	316	383	417			
18600	USAA General Indemnity Company	383	383	383	427	514	602	383	383	383	427	514	602	361	361	361	361	449	492			

NEIGHBOR ISLAND - SAMPLE ANNUAL CONDOMINIUM UNIT-OWNERS HURRICANE PREMIUMS

BUILDING CHARACTERISTICS ASSUMPTIONS (same as above)

		ANTE I GEIGT AGGGINI TIGHG		Bollish of Marie Testine House (callie de discret)																			
]	Replacement Cost: \$25,000 Deductible: DED (below)		Construction: Wind-Resistive Dev.:		Wood (Single-wall) None					Hui	nors	Masonry (CMU) Hurricane roof clips											
Ш	NAIC	Insurance Company II m II		Public Protection Class*						Public Protection Class*							Public Protection Class*						
	Co. Code			4	5	6	7	9	10	4	5	6	7	9	10	4	5	6	7	9	10		
	10861	Universal Property and Casualty Insurance Co.		22	22	22	22	22	22	17	17	17	17	17	17	10	10	10	10	10	10		
	25180	Fidelity National Insurance Company		n/a	n/a	n/a	n/a	n/a	n/a	33	33	33	33	n/a	n/a	14	14	14	14	n/a	n/a		
	41459	Armed Forces Insurance Exchange		35	35	35	35	35	35	35	35	35	35	35	35	15	15	15	15	15	15		
Ш	25143	State Farm Fire and Casualty Company		49	49	49	49	49	49	49	49	49	49	49	49	43	43	43	43	43	43		
	12502	Dongbu Insurance Co., Ltd. (U.S. Branch)		127	127	127	127	127	127	55	55	55	55	55	55	55	55	55	55	55	55		
	29068	IDS Property Casualty Ins. Co.	5%	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64		
	25941	United Services Automobile Associati	ion 2%	112	112	112	112	112	112	87	87	87	87	87	87	76	76	76	76	76	76		
	15598	Interinsurance Exchange of the Automobile Club		145	145	145	145	145	145	68	68	68	68	68	68	53	53	53	53	53	53		
	19615	USAA Casualty Insurance Company		73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73		
	25968			141	141	141	141	141	141	110	110	110	110	110	110	97	97	97	97	97	97		
	18600			184	184	184	184	184	184	143	143	143	143	143	143	125	125	125	125	125	125		